

**MINUTES OF THE 322ND MEETING OF THE
STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY**

EIERA Office

425 Madison Street, Second Floor

Jefferson City, Missouri

October 22, 2015

1:30 p.m.

EIERA MEMBERS:

Andy Dalton, Chair (phone participant)
LaRee DeFreece, Secretary (phone participant)
Deron Cherry, Vice-Chair, Treasurer (phone participant)

EIERA STAFF:

Karen Massey, Director
Joe Boland, Deputy Director
Kristin Allan Tipton, Development Director
Connie Patterson, Project Specialist
Mary Vaughan, Administration and Project Manager
Doug Garrett, Project Specialist
Genny Eichelberger, Office Support Assistant

LEGAL COUNSEL:

David Brown
Lewis Rice LLC

**OTHER
PARTICIPANTS:**

Eric Crawford
Traci Newberry
Mindy Bax
Department of Natural Resources

Guy Nagahama
Jefferies LLC

Dennis Lloyd
Columbia Capital Management, LLC

Michael Oldelehr
Williams Keepers, LLC

Jean Matzeder
Hardwick Law Firm, LLC

Rebecca Dengler
United Missouri Bank

Chris Ahrens
Shannon Creighton
Gilmore and Bell, P.C.

Eric Cowan
Bank of America Merrill Lynch

Debbie Rush
Thompson Coburn LLP

(AGENDA ITEM #1) CALL TO ORDER

Chair Dalton called the 322nd meeting of the Environmental Improvement and Energy Resources Authority (the "Authority") to order at 1:30 PM. Chair Dalton took roll call and asked that the meeting record reflect a quorum was present.

(AGENDA ITEM #2) APPROVAL OF MINUTES

The next order of business was to review and approve the minutes of the 321st meeting (September 8, 2015) of the Authority and the 321st closed meeting (September 8, 2015) of the Authority.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to approve the minutes of the 321st meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Chair Dalton, Ms. DeFreece and Mr. Cherry all voted in favor. Motion carried.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to approve the minutes of the closed portion of the 321st meeting of the Environmental Improvement and Energy Resources Authority. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #3) STATE REVOLVING FUND PROGRAM

(AGENDA ITEM #3A) PROGRAM UPDATE

Mr. Boland reported that the Authority received eight due diligence questionnaires in the last quarter, including one from the Metropolitan St. Louis Sewer District for a \$75,000,000 loan. He also noted that he and Ms. Massey would attend a CIFA conference the first weekend in November.

(AGENDA ITEM #3B) Resolution Authorizing the State Environmental Improvement and Energy Resources Authority to Issue and Sell Not to Exceed \$150,000,000 Principal Amount of Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) and Approving Other Documents and Authorizing the Authority to Take Certain Other Actions in Connection with the Issuance of Said Bonds

Mr. Boland reminded the Board that they previously approved the selection of Jefferies LLC as the Book Running Senior Managing Underwriter for this transaction. Interest rates remain low making the refunding of certain EIERA SRF bonds very cost effective. He stated that the initial goal of this transaction was to advance-refund some of the newer bonds, current-refund others, and to cash-defease some of the remaining bonds in order to streamline the program under the 2010 Master Trust Agreement.

Mr. Boland introduced Guy Nagahama with Jefferies LLC to the Board.

Mr. Nagahama thanked the Board for the opportunity to be the Book Running Senior Managing Underwriter for this transaction.

Mr. Brown stated that in their capacity as legal counsel for the Authority, Lewis Rice LLC had from a legal standpoint reviewed the bond documents before the Authority today and they have been found to be in proper form for

the resolution should the Authority Board decide to approve it at the meeting. Assuming that all conditions required to be met in these documents are met prior to closing, Lewis Rice LLC will issue the normal standard legal opinion, on behalf of the Authority, in conjunction with this resolution. Mr. Brown said that approval was needed and that it would be resolution 15-06.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to Issue and Sell Not to Exceed \$150,000,000 Principal Amount of Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs) and Approving Other Documents and Authorizing the Authority to Take Certain Other Actions in Connection with the Issuance of Said Bonds. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(Said Resolution 15-06 is attached hereto and made a part of these minutes as "Exhibit A.")

(AGENDA ITEM #4) OTHER FINANCINGS

Ms. Massey reported to the Board that the Authority received a letter from the IRS indicating that there would be no change to the tax status of the Missouri American Water Series 2006 Bonds and that they are closing their file on the examination.

(AGENDA ITEM #5) MISSOURI MARKET DEVELOPMENT PROGRAM

(AGENDA ITEM #5A) PROGRAM UPDATE

Ms. Tipton reported that she had three project recommendations for the Missouri Market Development Program.

(AGENDA ITEM #5B) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE BRYANT PLASTICS, INC., PROJECT AND AUTHORIZING THE DIRECTOR OR HER DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Tipton stated that Bryant Plastics, Inc., requested \$61,875 to purchase equipment costing \$82,500 that will increase production capacity in its existing plastics operation. Bryant Plastics' existing grinder was purchased used, with assistance from the MMDP, fifteen years ago and the 25 year old piece of equipment has only half the capacity of a new grinder. A larger capacity grinder will enable Bryant Plastics to manufacture a new product line, accept new waste material streams, and significantly increase their annual material diversion.

Bryant Plastics, Inc., anticipates diverting an additional 1,200 tons annually from the waste stream and creating two full time employee positions with this project.

Ms. Tipton stated that the Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$61,875 not to exceed 75% of the cost of the equipment. This funding recommendation for this project was unanimous.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to authorize the director or her designee to negotiate and enter into an agreement on behalf of the Authority with Bryant Plastics, Inc., for an amount up to \$61,785, not to exceed 75 percent of the cost of the equipment. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #5C) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE MIDWEST ORGANICS, INC., PROJECT AND AUTHORIZING THE DIRECTOR OR HER DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Tipton stated that Midwest Organics, Inc., requested \$250,000 to purchase a drum dryer costing \$678,332 that will increase production capacity in its existing composting operation. The dryer would enable the company to increase production of composted fertilizer made from poultry litter, egg shells, food and other organic waste streams.

Midwest Organics, Inc., anticipates creating 10 new full time employee positions and diverting 6,000 tons from the waste stream annually with this project.

The Missouri Market Development Program Steering Committee reviewed the application and unanimously recommends that the Board approve funding in the amount of \$250,000 not to exceed 50% of the cost of the equipment.

MOTION: Motion was made by Ms. DeFreece and seconded by Mr. Cherry to authorize the director or her designee to negotiate and enter into an agreement on behalf of the Authority with Midwest Organics, Inc., for an amount up to \$250,000, not to exceed 50 percent of the cost of the equipment. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #5D) CONSIDERATION OF THE FUNDING RECOMMENDATION FOR THE MISSOURI ORGANIC RECYCLING, INC., PROJECT AND AUTHORIZING THE DIRECTOR OR HER DESIGNEE TO ENTER INTO AN AGREEMENT ON BEHALF OF THE AUTHORITY

Ms. Tipton reported to the Board that Missouri Organic Recycling, Inc., located in Kansas City, requested \$250,000 to purchase a food depackaging system costing \$560,923 to expand their food waste recovery activities associated with their composting operation.

Missouri Organic, a successful past program participant, was the first large scale compost producer in Missouri to incorporate food waste in its products and currently uses material pulled from industrial food production, cafeterias and restaurants, and grocery stores.

Missouri Organic Recycling believes their food waste recovery will immediately increase by at least 20%, enabling them to recover not only packaged food, but also cafeteria waste where the contamination is currently too high to use in composting.

Missouri Organic Recycling, Inc., anticipates creating 3 new full time employee positions and diverting 4,800 tons annually with this project.

The Missouri Market Development Program Steering Committee reviewed the application and unanimously recommends that the Board approve funding in the amount of \$250,000 not to exceed 50% of the cost of the equipment.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to authorize the director or her designee to negotiate and enter into an agreement on behalf of the Authority with Missouri Organic Recycling, Inc., for an amount up to \$250,000, not to exceed 50 percent of the cost of the equipment. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.

(AGENDA ITEM #6) BROWNFIELDS REVOLVING LOAN FUND

(AGENDA ITEM #6A) PROGRAM UPDATE

Ms. Tipton reported that the Authority received notice that our request for \$500,000 in supplemental hazardous substance funding was awarded. Staff has

completed application materials and is working with potential applicants to use the money.

Ms. Tipton gave a brief summary of the active projects summarized in the Board materials.

(AGENDA ITEM #7) REVIEW OF STRATEGIC MEASURES

Ms. Patterson directed the Board's attention to the current Scorecard and explained that as the Authority moves into the second quarter of fiscal year 2016, the Scorecard will be updated based on staff input and recommendations.

Ms. Patterson stated that since the beginning of fiscal year 2016, EIERA staff have had considerable discussion about the need for different measures under the "Continuous Quality Improvement" objective. She gave a quick synopsis of the measures and noted that due to the timing of the decision, staff would implement this change beginning in the 2nd Quarter fiscal year 2016 Scorecard.

(AGENDA ITEM #8) PRESENTATION OF FISCAL YEAR 2015 AUTHORITY AUDIT

Ms. Massey reminded the Board that copies of the Audit had previously been mailed to them and she was pleased that there were no significant findings. Ms. Massey called upon Mr. Oldelehr from the Authority's auditing firm, Williams Keepers LLC, to present the audit results.

Mr. Oldelehr explained the different audit categories and stated that the Authority received an unqualified audit with no material findings.

(AGENDA ITEM #9) OTHER BUSINESS

(AGENDA ITEM #9A) OPPORTUNITY FOR PUBLIC COMMENT

There were no comments.

(AGENDA ITEM #9B) NEXT MEETING DATE

The Board agreed to meet in January 2016 and Ms. Massey stated there could be an additional telephone meeting on December 9, 2015.

(AGENDA ITEM #9C) OTHER

There was no other business to discuss.

(AGENDA ITEM #11) ADJOURNMENT OF OPEN MEETING

There being no further business to come before the Board, Chair Dalton asked for a motion to adjourn.

MOTION: Motion was made by Mr. Cherry and seconded by Ms. DeFreece to adjourn the meeting. By roll call vote, Chair Dalton, Mr. Cherry and Ms. DeFreece all voted in favor. Motion carried.


William Rudy Dalton

Lauren DeFreece

STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY(STATE OF MISSOURI)

RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY TO ENTER INTO CERTAIN SUPPLEMENTAL AGREEMENTS WITH THE MISSOURI DEPARTMENT OF NATURAL RESOURCES AND TRI-COUNTY WATER AUTHORITY IN CONNECTION WITH THE AUTHORITY'S OUTSTANDING WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS (STATE REVOLVING FUNDS PROGRAMS - MASTER TRUST) SERIES 2001C, WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS (STATE REVOLVING FUNDS PROGRAMS) SERIES 2005A, WATER POLLUTION CONTROL AND DRINKING WATER REVENUE BONDS (STATE REVOLVING FUNDS PROGRAMS) SERIES 2005C; AND APPROVING CERTAIN OTHER DOCUMENTS AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri (the "Authority") is authorized and empowered pursuant to the provisions of Sections 260.005 to 260.125, inclusive, and Appendix B(1), Revised Statutes of Missouri, as amended (the "Act"), to finance, acquire, construct and equip projects (as defined in the Act) for the purpose of preventing or reducing pollution or the disposal of solid waste or sewage and to provide for the furnishing of water facilities, to issue revenue bonds for the purpose of paying costs of such projects; and

WHEREAS, Tri-County Water Authority, a Missouri nonprofit corporation (the "Corporation"), has borrowed funds to finance the costs of certain water facilities of the Corporation pursuant to three separate but substantially identical Loan Agreements (collectively, the "Original Loan Agreements") related to the Authority's (1) Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs - Master Trust) Series 2001C and the related promissory note dated November 1, 2001 from the Corporation to the Authority in the original principal amount of \$2,370,000; (2) Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs), Series 2005A and the related promissory note dated May 1, 2005 from the Corporation to the Authority in the original principal amount of \$23,000,000; and (3) Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs), Series 2005C and the related promissory note dated November 30, 2005 from the Corporation to the Authority in the original principal amount of \$17,625,000; and

WHEREAS, in order to conform the Original Loan Agreements to the current covenants for rate coverage for the Corporation's conventional financings the Authority finds and determines that it is necessary and desirable to amend the terms of the Original Loan Agreements and to enter into certain documents and take certain other actions in connection therewith as herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section 1. Authorization of Authority Documents. The Authority is hereby authorized to enter into the following documents (the "Authority Documents"), in substantially the forms presented and reviewed by the Authority at this meeting (copies of which documents shall be filed with the records of the Authority), with such final terms and such changes therein as shall be approved by the officers of the Authority executing such documents, such officers' signatures thereon being conclusive evidence of their approval thereof:

(a) First Supplemental Loan Agreement among the Authority, DNR and the Corporation related to the Authority's Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs – Master Trust) Series 2001C;

(b) First Supplemental Loan Agreement among the Authority, DNR and the Corporation related to the Authority's Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005A; and

(c) First Supplemental Loan Agreement among the Authority, DNR and the Corporation related to the Authority's Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs) Series 2005C.

Section 2. Execution of Documents. The Chairman or the Vice Chairman is hereby authorized and directed to execute and deliver the Authority Documents for and on behalf of and as the act and deed of the Authority. The Secretary or the Assistant Secretary is hereby authorized and directed to attest to the Authority Documents, and to such other documents, certificates and instruments, as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 3. Further Authority. The Authority shall, and the members, officers, directors, agents and employees of the Authority are hereby authorized and directed to, take such further action, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 4. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Authority.

ADOPTED this 9th day of December, 2015.


Chairman of the Authority

(Seal)

ATTEST:


Secretary of the Authority